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COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 2, 2001

APPLICATIONS OF

OLD MILL POWER COMPANY

CASE NO. PUE010483

For permanent licenses
to conduct business as an
electric and natural gas
competitive service provider
and an aggregator

and

OLD MILL POWER COMPANY

CASE NO. PUE000574

For licenses to conduct
business in the electric
and natural gas retail
access pilot programs and
to act as an aggregator

ORDER GRANTING LICENSES

On August 31, 2001, Old Mill Power Company ("Old Mill" or "the Company") filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot licenses, License Nos. PE-12, PG-13, and PA-11,¹ to permanent licenses to provide competitive electric and natural gas

¹ These licenses, issued in Case No. PUE000574, authorize Old Mill to provide competitive electric and natural gas services and to act as an aggregator in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA"), Rappahannock Electric Cooperative ("REC"), Washington Gas Light Company ("WGL"), and Columbia Gas of Virginia ("CGV"). The issuance of these licenses was subject to Old Mill maintaining a letter of credit as evidence of its financial fitness.

services and to act as an aggregator to residential, commercial, and industrial customers throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40 of the Commission's Rules Governing Retail Access to Competitive Energy Services, ("Retail Access Rules").

On September 20, 2001, the Commission issued its Order For Notice and Comment, establishing this case, requiring Old Mill to provide notice of its application to each electric and gas utility in Virginia, and providing for the receipt of comments from the public. No comments were received from the public on Old Mill's application.

On October 26, 2001, Staff filed a response to Old Mill's application. In its response, Staff advised that it did not oppose Old Mill's application. However, Staff recommended that Case No. PUE000574, the docket in which the Commission granted the Company its retail access pilot licenses, be closed, and that Old Mill be directed to file the reports required by the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), in the captioned docket, Case No. PUE010483. The Staff contends that this action would result in the efficient administration of the Commission's docket.

NOW UPON consideration of Old Mill's application to convert its present licenses to permanent licenses to conduct the activities above and Staff's Response, the Commission is of the opinion and finds that Old Mill's request should be granted; that Case No. PUE000574 be closed; and that any reports that Old Mill must file in accordance with the Interim Rules be filed in the captioned docket, Case No. PUE010483.

We note that the Company's existing \$13,000 letter of credit expires on January 31, 2002. As a condition of participating in retail access programs, Old Mill must provide the Commission with such an instrument as evidence of its financial responsibility. Therefore, a new letter of credit must be filed by Old Mill prior to the expiration of its current letter of credit.

Accordingly, IT IS ORDERED THAT:

(1) Old Mill's pilot license, License No. PE-12, is hereby cancelled and replaced with License No. E-7 for the provision of competitive electric service to residential, commercial, and industrial customers in Virginia Power, AEP-VA and REC's service territories in accordance with the terms of these pilot programs and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(2) Old Mill's pilot license, License No. PG-13, is hereby cancelled and replaced with License No. G-9 to provide

competitive natural gas service to residential, commercial, and industrial customers in conjunction with the retail access program of WGL, and the pilot program of CGV in accordance with the terms of CGV's pilot program, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(3) Old Mill's pilot license, License No. PA-11, is hereby cancelled and replaced with License No. A-6 to provide aggregation services to residential, commercial, and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, REC, and CGV in accordance with the terms of these pilot programs, and the WGL retail choice program, and throughout the Commonwealth of Virginia as the Commonwealth opens up to retail access and customer choice.

(4) These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(5) The Company must file a new letter of credit with the Commission by January 31, 2002.

(6) The issuance of the licenses granted herein is subject to the maintenance of the letter of credit.

(7) Failure of Old Mill Power Company to comply with the Interim Rules, the Retail Access Rules, the provisions of this Order, other State Corporation Commission orders and rules, or

other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(7) Case No. PUE000574 is hereby closed.

(8) This matter shall remain open pending the receipt of any reports required by the Interim Rules and the Retail Access Rules.